## SENATE DEMOCRATIC CAUCUS

LANSING, MICHIGAN

FOR IMMEDIATE RELEASE THURSDAY, MARCH 25, 2004 **CONTACT:** Leslee Fritz

517-373-7370

## SENATE DEMOCRATS HOPEFUL MCCA LEGISLATION WILL MOVE SOON

Sponsors Applaud Chair's Commitment To Address Issue, Ask For Quick Action

(LANSING)- Just days after the Michigan Catastrophic Claims Association (MCCA) announced that they will increase rates on Michigan drivers to the highest level ever, three of the Senate's leading Democrats expressed their hope that the Committee on Banking & Financial Institutions will soon debate pending legislation that would increase public awareness and involvement in the MCCA process. Senators Virg Bernero (D-Lansing), Ray Basham (D-Taylor), and Mark Schauer (D-Battle Creek), sponsors of the legislation indicated that Committee Chairman Mike Bishop had offered his commitment that the issue would soon be addressed.

"Senator Bishop has indicated his willingness to debate this critical issue," said Sen. Basham. "The families we represent are rightly asking why the MCCA is raising rates. They deserve answers. We feel it is urgent that we address this issue and create a system with greater accountability and public participation."

The MCCA is a statutorily created association of all insurers engaged in writing no-fault auto insurance coverage in Michigan. MCCA sets the rate all insured drivers pay to cover the cost of Michigan's no-fault auto insurance program. The Association announced on March 17 that it would be increasing the rate charged per vehicle from \$100 to \$127. This increase represents an additional \$189 million that will have to be paid by Michigan drivers next year.

--continued--

"The MCCA is making decisions that will cost our constituents hundreds of millions of dollars this year without any public participation whatsoever," said Sen. Bernero. "Our bills, which have been pending in committee for some time, are basic steps to lift the veil of secrecy and let the sun shine in on this process."

"The MCCA is responsible for setting a fee for every Michigan driver without being subject to basic safeguards like the Freedom of Information Act or the Michigan Open Meeting Act," said Democratic Floor Leader Schauer. "Expecting the public to trust the decisions being made without giving them any information about how they are reached is unrealistic and unjustifiable."

Schauer has introduced SB 209 & SB 210 that makes the MCCA subject to FOIA and the Open Meeting Act. Basham is the sponsor of SB 622 that will add a member of the general public to the MCCA Board and Bernero authored SB 353 that would require an annual audit of its operations.

###